

AMENDED IN ASSEMBLY FEBRUARY 26, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

**ASSEMBLY BILL**

**No. 44**

**Introduced by Assembly Member Cohn**

February 9, 2001

---

---

~~An act to add Section 354 to the Public Utilities Code, relating to public utilities. An act to amend Section 25555 of the Public Resources Code, relating to energy resources, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 44, as amended, Cohn. ~~Independent System Operator: electric generating facilities: maintenance—State Energy Resources Conservation and Development Commission: appropriation.~~

*Existing law requires the State Energy Resources Conservation and Development Commission to implement the peak electricity demand reduction program.*

*This bill would include installation of demand responsive technologies and energy-efficient retrofits as part of that program.*

*This bill would appropriate \$25,000,000 from the General Fund to the commission for the purpose of augmenting the funding for the peak electricity demand reduction program.*

~~The Public Utilities Act requires the establishment and operation of an Independent System Operator as a public benefit nonprofit corporation to ensure the efficient use and reliable operation of the state's electricity transmission grid.~~

~~This bill would find and declare that the coordination of the scheduled and unscheduled maintenance of electric generation~~

~~facilities would allow the state to better anticipate energy load and reduce blackouts as a result of too many facilities undergoing maintenance at the same time, and would state the intent of the Legislature to authorize the Independent System Operator to coordinate the maintenance of electric generating facilities.~~

Vote: ~~majority 2/3~~. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 354 is added to the Public Utilities~~  
 2 ~~Code, to read:~~  
 3 *SECTION 1. (a) The Legislature finds and declares both of*  
 4 *the following:*  
 5 *(1) California is currently experiencing an energy crisis that*  
 6 *threatens to adversely affect the economic and environmental*  
 7 *well-being of the state.*  
 8 *(2) One of the most cost-effective, efficient, and*  
 9 *environmentally beneficial methods of meeting the state's energy*  
 10 *needs is to encourage the efficient use of energy.*  
 11 *(b) It is the intent of the Legislature to ensure the immediate*  
 12 *implementation of energy efficiency programs in order to reduce*  
 13 *consumption of energy and to assist in reducing the costs*  
 14 *associated with energy demand.*  
 15 *SEC. 2. Section 25555 of the Public Resources Code is*  
 16 *amended to read:*  
 17 *25555. (a) In consultation with the Public Utilities*  
 18 *Commission, the commission shall implement the peak electricity*  
 19 *demand reduction grant programs listed in paragraphs (1), (2), and*  
 20 *(3). The commission's implementation of these programs shall be*  
 21 *consistent with guidelines established pursuant to subdivision (b).*  
 22 *The award of a grant pursuant to this section is subject to appeal*  
 23 *to the commission upon a showing that factors other than those*  
 24 *adopted by the commission were applied in making the award.*  
 25 *Any action taken by an applicant to apply for, or to become or*  
 26 *remain eligible to receive, a grant award, including satisfying*  
 27 *conditions specified by the commission, does not constitute the*  
 28 *rendering of goods, services, or a direct benefit to the commission.*  
 29 *Awards made pursuant to this section are not subject to any*  
 30 *repayment requirements of Chapter 7.4 (commencing with*

Section 25645). The peak electricity demand programs the commission shall implement pursuant to this section shall include, but not be limited to, the following:

(1) For San Francisco Bay Area and San Diego region electricity customers, the peak electricity demand program shall include both of the following:

(A) Incentives for price responsive heating, ventilation, air conditioning, and lighting systems.

(B) Incentives for cool communities.

*(C) Incentives for installation of demand responsive technologies and energy-efficient retrofits.*

(2) For statewide electricity customers, the peak electricity demand program shall include all of the following:

(A) Incentives for price responsive heating, ventilation, air conditioning, and lighting systems.

(B) Incentives for cool communities.

(C) Incentives for energy efficiency improvements for public universities and other state facilities.

(D) Funding for state building peak reduction measures.

(E) Incentives for light-emitting diode traffic signals.

(F) Incentives for water and wastewater treatment pump and related equipment retrofits.

*(G) Incentives for installation of demand responsive technologies and energy-efficient retrofits.*

(3) Renewable energy development, except hydroelectric development, for both onsite distributed energy development and for commercial scale projects through which awards may be made by the commission to reduce the cost of financing those projects.

(b) In consultation with the Public Utilities Commission, the commission shall establish guidelines for the administration of this section. The guidelines shall enable the commission to allocate funds between the programs as it determines necessary to lower electricity system peak demand. The guidelines adopted pursuant to this subdivision are not regulations subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) The commission may choose from among one or more business entities capable of supplying or providing goods or services that meet a specified need of the commission in carrying out the responsibilities for programs included in this section. The

1 commission may select an entity on a sole source basis if the cost  
2 to the state will be reasonable and the commission determines that  
3 it is in the state's best interest.

4 (d) The commission shall contract with one or more business  
5 entities for evaluation of the effectiveness of the programs  
6 implemented pursuant to subdivision (a). The contracting  
7 provisions specified in subdivision (c) shall apply to these  
8 contracts.

9 (e) For purposes of this section, the following definitions shall  
10 apply:

11 (1) "Low-rise buildings" means one and two story buildings.

12 (2) "Price responsive heating, ventilation, air conditioning,  
13 and lighting systems" means a program that provides incentives  
14 for the installation of equipment that will automatically lower the  
15 electricity consumption of these systems when the price of  
16 electricity reaches specific thresholds.

17 (3) "Light-emitting diode traffic signals" means a program to  
18 provide incentives to encourage the replacement of incandescent  
19 traffic signal lamps with light-emitting diodes.

20 (4) "Cool communities" means a program to reduce "heat  
21 island" effects in urban areas and thereby conserve energy and  
22 reduce peak demand.

23 (5) "Water and wastewater treatment pump retrofit" means a  
24 program to provide incentives to encourage the retrofit and  
25 replacement of water and wastewater treatment pumps and  
26 equipment and installation of energy control systems in order to  
27 reduce their electricity consumption during periods of peak  
28 electricity system demand.

29 (6) "*Demand responsive technologies and energy-efficient*  
30 *retrofits*" means \_\_\_\_.

31 (f) The commission may expend no more than 3 percent of the  
32 amount appropriated to implement this section, for purposes of  
33 administering this section.

34 (g) This section shall remain in effect only until January 1,  
35 2004, and as of that date is repealed, unless a later enacted statute,  
36 which is enacted before January 1, 2004, deletes or extends that  
37 date.

38 *SEC. 3. The sum of twenty-five million dollars (\$25,000,000)*  
39 *is hereby appropriated from the General Fund to the State Energy*  
40 *Resources Conservation and Development Commission for the*

1 *purpose of augmenting the funding for programs implemented*  
2 *pursuant to Section 25555 of the Public Resources Code, including*  
3 *the installation of demand responsive technologies and*  
4 *energy-efficient retrofits as specified in subparagraph (C) of*  
5 *paragraph (1) of, and subparagraph (G) of paragraph (2) of,*  
6 *subdivision (a) of Section 25555 of the Public Resources Code.*

7 ~~354. (a) The Legislature finds and declares that the~~  
8 ~~coordination of the scheduled and unscheduled maintenance of~~  
9 ~~electric generation facilities would allow the state to better~~  
10 ~~anticipate energy load and reduce blackouts as a result of too many~~  
11 ~~facilities undergoing maintenance at the same time.~~

12 ~~(b) It is the intent of the Legislature to authorize the Independent~~  
13 ~~System Operator to coordinate the maintenance of electric~~  
14 ~~generating facilities.~~

O

